

Message Text

CONFIDENTIAL

PAGE 01 LIMA 03085 121645 Z

43

ACTION ARA-17

INFO OCT-01 ADP-00 AGR-20 L-03 EB-11 COME-00 XMB-07 TRSE-00

AID-20 OPIC-12 SS-15 NSC-10 CIAE-00 INR-10 NSAE-00

PA-03 RSC-01 USIA-12 PRS-01 RSR-01 /144 W

----- 047303

R 121530 Z MAY 73

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 5455

C O N F I D E N T I A L LIMA 3085

E. O. 11652/ GDS

TAGS: EFIS, EIND, PE

SUBJ : NATIONALIZATION OF FISH MEAL INDUSTRY-
FURTHER DEVELOPMENTS

REF: LIMA 2953, 2998, 28 57

DEPT PASS AGRICULTURE

1. REPRESENTATIVES OF FIVE U . S. FIRMS IN RECENTLY
NATIONALIZED FISH MEAL INDUSTRY MET WITH AMBASSADOR
MAY 10 FOR FURTHER EXCHANGE OF VIEWS. LITTLE NEW
EMERGED AS MINISTRY OF FISHING HAS STILL GIVEN NO
INDICATION OF PRECISELY HOW COMPENSATION IS TO BE
CALCULATED AND INDUSTRY REPS COULD DO LITTLE MORE
THAN SPECULATE. THEY APPEARED TO RESPOND FAVORABLY
TO AMBASSADOR' S SUGGESTION THEY CONSIDER EMPLOYING
INDEPENDENT AUDITING FIRM TO PERFORM EVALUATION
AT EALY DATE BEFORE ASSETS BECOME SO COMMINGLED
WITHIN PESCAPERU THAT THIS BECOMES IMPOSSIBLE. THEY
ALSO REVEALED THAT MINISTRY HAE ADKED THEM TO
RESUME DIRECTION OF THEIR FIRMS ON INTERIM BASIS AS
AGENTS OF MINISTRY, WHICH THEY HAVE AGREED TO DO.
ALL REMAIN GENERALLY PESSIMINTIC AS TO ADEQUACY OF
EVENTUAL COMPENSATION.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LIMA 03085 121645 Z

2. ON MAY 11, PRESS PROMINENTLY REPORTED THAT ON THE DAY BEFORE, THE NEWLY APPOINTED PRESIDENT OF PESCA PERU, LT. COL. GASTON LUNA GUILLEN (FORMER MINFISH TECHNICAL ADIVOR HAD DEPOSITED A CHECK FOR 470 MILLION (12.1 MILLION - AT CERTIFICATE RATE, S/.38.70-\$1.00) IN A SPECIAL ACCOUNT AT THE BANCO DE LA NACION. CHECK WAS PURPOSTED TO REPRESENT 10 PERCENT CASH PAYMENT TO BE MADE TO FORMER OWNERS OF NATIONALIZED INDUSTRY. LUNA TOLD THE PRESS THAT, IN HIS OPINION, PESCAPERU' S DEBT TO THE INDUSTRY WILL BE DISCHARGED UNDER CIRCUMSTANCES " VERY FAVORABLE TO THE SHAREHOLDERS."

3. IN THE MEANTIME, NATIONALIZATION SUBJECT OF CONSIDERABLE CRITICISM. ALTHOUGH HAILED BY LEFTIST GOVERNMENT CONTROLLED PRESS, MORE CONSERVATIVE LA PRENSA AND EL COMERCIAO BOTH PUBLISHED CRITICAL EDITORIALS, LATTER BEING ESPECIALLY OUTSPOKEN. ASSOCIATIONS OF INDUSTRIAL ORGANIZATIONS, OF MINING AND PETROLEUM INDUSTRY, AND OF FISH- MEAL OWNERS ALL PLACED ADS IN MODERATE PRESS CONDEMNING NATIONALIZATION, EMPHASIZING THAT INDUSTRY DEBT WHICH WAS MAJOR JUSTIFICATIONS FOR TAKE- OVER, HAS BEEN GROSSLY EXAGGERATED BY GOP AND THAT, ON CONTRARY, INDUSTRY WOULD HAVE BEEN SOLVENT IF PERMITTED SELL PRESENT STOCKS OF SHISH MEAL AT PREVAILING WORLD PRICES. RUMORS ALSO CONTINUE TO CIRCULATE THAT SEVERAL MEMBERS OF CABINET REMAIN PHILOSOPHICALLY OPPOSED TO MOVE. ALSO, ALTHOUGH MINFISH TANTALEAN HAS REASSURED WORKER NONE WILL LOSE JOBS, SOME WORKERS ARE REPORTED TO FEAR THIS MEANS THEY WILL BE ASKED TO ACCEPT LESS CONGENIAL EMPLOYMENT.

4. MINFISH HAS REQUESTED US COMPANIES TO CONTINUE MANAGE THEIR OPERATIONS UNTIL PESCAPERU ORGANIZED WHICH THEY HAVE AGREED TO DO.

5. COMMENT: 470 MILLION SOLE DEPOSIT WOULD APPEAR TO INDICATE THAT GOP HAS ARBITRARILY DECIDED THAT INDUSTRY IS WORTH 4.7 BILLION SOLES OR ABOUT \$121 MILLION. MOVE WAS UNDOUBTEDLY MEANT AS SIGN OF GOP GOOD INTENTIONS AND THAT ARBITRARILY LOW EVALUATIONS WOULD NOT BE APPLIED, AS APPEARS TO HAVE BECOME STANDARD GOP PRACTICE. FIGURE CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LIMA 03085 121645 Z

DOES NOT COMPARE AS UNFAVORABLY AS IT MIGHT WITH OUR VERY ROUGH ESTIMATE OF \$200 TO 250 MILLION AS WORTH OF INDUSTRY. HOWEVER, IN CONTINUED ABSENCE OF DEFINITE EVALUATION FORMULA AND OF ANY INDICATION OF HOW MUCH OF AMOUNT WILL BE SET OFF AGAINST DEBT AND HOW MUCH WILL ACUTALLY REACH SHAREHOLDERS, NOT MUCH COMFORT CAN BE DRAWN FROM WHAT AT THIS POINT MAZ TURN OUT TO BE ESSENTIALLY

EMPTY GESTURE.

BELCHER

CONFIDENTIAL

NMAFVVZCZ

*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 12 MAY 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973LIMA03085
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GDS
Errors: n/a
Film Number: n/a
From: LIMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730546/aaaajhwn.tel
Line Count: 119
Locator: TEXT ON-LINE
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 73 LIMA 2953, 73 LIMA 2998, 73 LIMA 2857
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 23 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23-Jan-2002 by martinjw>; APPROVED <13 FEB 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> mcm 980217
Subject: NATIONALIZATION OF FISH MEAL INDUSTRY- FURTHER DEVELOPMENTS
TAGS: EFIS, EIND, PE
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005